CLEC	Financing/Partnering	Company Provides Own Facilities			
		Switch	Loop	Transport	Other
KMC Telecom Corp. (cont.)		X	X	X	
	Announces an increase in financing from $70 M to $250 M that includes a $175 M, 8-year revolving line and a $75 M loan carrying an 8 ½ year term with several underwriters to fund additional telecommunications equipment (1/13/99)				
Level 3				X	
	Focal announces agreement with Level 3 to get capacity on Level 3's facilities in seven markets (5/10/99)				
	MetroMedia announces agreement to supply Level 3 with local network capacity in NY city and Washington areas (4/14/99)				
	GST and Level 3 announce agreement to build a long-haul network segment linking San Diego to GST's existing fiber-optic backbone (3/30/99)				
	GST announces plans with NEXTLINK and Level 3 to construct a San Diego-area fiber-optic network (3/22/99)				
	Level 3 and RCN announce plans to pool resources on network construction projects in Manhattan and Boston (2/16/99)				
	RCN announces it has acquired capacity along Level 3's cross-country fiber internet backbone (1/12/99)				

CLEC	Financing/Partnering	Company Provides Own Facilities			
		Switch	Loop	Transport	Other
Logix		X	X		
	Closed on a $75 M revolving credit with several banks to be used to finance DSL deployments (4/20/99)				
MCI WorldCom		X	X	X	
	KMC announces five-year deal ro provide MCI WorldCom with dedicated local-access services in 18 markets (5/05/99)				
	Rhythms announces $30 M investment/alliance with MCI WorldCom that gives MCI WorldCom access to Rhythms' DSL services (1/26/99)				
McLeodUSA		X	X	X	
	Announces pricing of secondary offering of 9 M shares with several underwriters (5/13/99)				
	Announces DSL data network upgrades and network expansion efforts in KS, ID, MT, NE and UT (4/15/99)				
	Announces completion of merger with Ovation Communications (4/01/99)				
	Announces plans to sell $500 M of senior notes with a private placement offering (2/12/99)				
MediaOne		X	X	X	
	AT&T announces $58 B rival bid for MediaOne (4/22/99)				

CLEC	Financing/Partnering	Company Provides Own Facilities			
		Switch	Loop	Transport	Other
MetroMedia Fiber Networks				X	
	Allegiance announces agreement with dark-fiber firm MetroMedia Fiber Networks that connects 14 COs in Dallas area (4/19/99)				
	MetroMedia announces agreement to supply Level 3 with local network capacity in NY city and Washington areas (4/14/99)				
	Announces two-for-one stock split of class A & class B shares (4/13/99)				
	MetroMedia Fiber Networks announces 20-year agreement to lease fiber-optic capacity in NY and NJ to Time Warner Telecom who plans to offer local, LD and internet services (3/09/99)				
	MetroMedia Fiber Networks announces joint-marketing pact with Cisco Systems to offer IP-based products and services (3/02/99)				
	Hyperion announces agreements with five companies, including e.spire and MetroMedia Fiber Networks, allowing it to use existing fiber-optic facilities (2/09/99)				
	Announces agreement to lease network capacity in Washington D.C. area to AOL in a multi-year deal (2/02/99)				

CLEC	Financing/Partnering	Company Provides Own Facilities			
		Switch	Loop	Transport	Other
MetroMedia Fiber Networks (cont.)				X	
	Metromedia announces $44 M agreements which provide Intermedia with access to Metromedia network facilities in San Francisco and the Silicon Valley and provide Hyperion with dark-fiber capacity along Metromedia's systems in New York, Chicago and Washington, D.C. (1/12/99)				
MGC Communications		X			
	Announces plans for secondary public offering of common stock for introduction of new services (5/14/99)				
	Closed on $47.5 M stock purchase to be used for DSL strategy and network expansion (5/05/99)				
	Furman Selz analyst raises year-end price target for MGC from $27 to $90 based on MGC's newly announced DSL initiative (4/08/99)				
NEXTLINK		X	X	X	
	Filed papers for $750 M of senior notes with several underwriters to be used for network buildouts (5/06/99)				
	Closed on $695 M buy of wireless firm WNP Communications (4/28/99)				

CLEC	Financing/Partnering	Company Provides Own Facilities			
		Switch	Loop	Transport	Other
NEXTLINK (cont.)		X	X	X	
	GST announces plans with NEXTLINK and Level 3 to construct a San Diego-area fiber-optic network (3/22/99)				
	Lehman Bros. initiates coverage with "buy" rating (2/19/99)				
	Announces agreement to buy wireless license holder WNP Communications for about $542 M; also plans to buy partner Nextel Communications' 50% stake in NEXTBAND for$138 M; this will make NEXTLINK the top holder of LMDS spectrum in North America and will be used to accelerate deployment of local services nationwide (1/14/99)				
	Covad announces $20 M strategic relationship/equity investment with NEXTLINK; also NEXTLINK will resell Covad's DSL services and will serve as Covad's preferred provider of local transport facilities and collocation services (1/05/99)				
NorthPoint					**DSL**
	IPO today of 15 M shares/several underwriters (5/05/99)	NorthPoint provides DSL services.			
	Intermedia announces alliances with Rhythms and NorthPoint to expand DSL throughout much of country (4/29/99)				

CLEC	Financing/Partnering	Company Provides Own Facilities			
		Switch	Loop	Transport	Other
NorthPoint (cont.)					**DSL**
	$20 M investment/alliance with Tandy Corporation (4/27/99)	NorthPoint provides DSL services.			
	Microsoft announces plans to invest $30 M in NorthPoint (4/19/99)				
	ICG announces two-year agreement with NorthPoint and will invest $10 M in NorthPoint (4/15/99)				
	Announce agreement that gives Frontier the ability to market DSL services in several markets and provides NorthPoint with access to a national fiber-optic backbone; also includes a $4.9 M investment in NorthPoint by Frontier (4/07/99)				
	Hertz Technology announces partnership with NothPoint (3/31/99)				
	SAVVIS Communications announces agreement with NorthPoint to offer DSL services in 12 major markets now and 10 more cities by the end of the year aimed at small and mid-sized businesses (3/15/99)				
	Announces IPO filing to raise $125 M for deployment of DSL systems in some 28 markets by end of year with several underwriters (3/01/99)				

CLEC	Financing/Partnering	Company Provides Own Facilities			
		Switch	**Loop**	**Transport**	**Other**
NorthPoint (cont.)					**DSL**
	Announce two-year agreement allowing ICG to expand its DSL footprint and designates NorthPoint as ICG's preferred DSL provider (2/18/99)	NorthPoint provides DSL services.			
	Announces agreement with Verio Inc. to begin offering Verio's high-speed internet access services; Verio has invested $5.6 M in NorthPoint (2/08/99)				
Pac-West Telecom		**X**			
	Announces plans to finance expansion through sale of $150 M of 10-year bonds (2/02/99)				
PaeTec		**X**		**X**	
	Announces 5-year $100 M equipment agreement with Lucent (1/14/99)				
Qwest				**X**	
	Qwest announces a 7-year $63 M agreement with Advanced TelCom Group to provide internet connectivity, frame relay and long distance services (4/26/99)				

CLEC	Financing/Partnering	Company Provides Own Facilities			
		Switch	Loop	Transport	Other
Qwest (cont.)				X	
	BellSouth announces agreement to spend $3.5 B for a 10% stake in IP telephony firm Qwest Communications; companies plan to jointly market data and voice services (4/19/99)				
	Rhythms announces $15 M strategic relationship/equity investment with Qwest (4/07/99)				
	Covad announces plans to offer long-distance DSL using Qwest's and AT&T's ATM backbones (3/29/99)				
	Announces completion of the purchase of Karlsruhe, Germany-based Xlink Internet Service GmbH for approximately $12.7 M (2/08/99)				
	Covad announces a $15 M strategic relationship/equity investment with Qwest; also Qwest will resell Covad's DSL services and allow Covad to route network traffic along Qwest's nationwide IP system (1/19/99)				
RCN		X	X	X	
	Started public offering of 8 M shares of common stock with several underwriters (5/10/99)				
	$1 B credit line arranged by Chase Manhattan and $250 M investment from Hicks, Muse, Tate & Furst, Inc. (3/18/99)				

CLEC	Financing/Partnering	Company Provides Own Facilities			
		Switch	**Loop**	**Transport**	**Other**
RCN (cont.)		**X**	**X**	**X**	
	Level 3 and RCN announce plans to pool resources on network construction projects in Manhattan and Boston (2/16/99)				
	RCN announces it has acquired capacity along Level 3's cross-country fiber internet backbone (1/12/99)				
Rhythms					**DSL**
	Announces agreement to provide DSL data connectivity to joint-venture partners VPN Communications and EMB Corp. (5/19/99)	Rhythms provides DSL services.			
	Announces IPO raised $527 M for network expansion (5/11/99)				
	Intermedia announces alliances with Rhythms and NorthPoint to expand DSL throughout much of country (4/28/99)				
	Announces note offering announced last week has been increased from $200 M to $325 M (4/19/99)				
	Announces a $200 M private offering of senior notes to be used for network expansion (4/15/99)				
	Salomon Smith Barney has begun tracking Rhythms, which went public this week, with a "buy" rating (4/08/99)				

CLEC	Financing/Partnering	Company Provides Own Facilities			
		Switch	Loop	Transport	Other
Rhythms (cont.)					**DSL**
	IPO today of 9.375 M shares/several underwriters (4/07/99)	Rhythms provides DSL services.			
	Rhythms announces $15 M strategic relationship/equity investment with Qwest (4/07/99)				
	$30 M investment/alliance with Microsoft (3/19/99)				
	Rhythms announces $30 M investment/alliance with MCI WorldCom that gives MCI WorldCom access to Rhythms' DSL services (1/26/99)				
TelePacific		**X**			
	TelePacific announces agreement with Covad to offer DSL services to business customers in CA and NV (5/11/99)				
	Announces it has secured a $15 M investment from a private equity fund to support telephony and internet expansion in CA and NV (4/19/99)				
Teligent		**X**	**X**	**X**	
	Lehman Bros. initiates coverage with "buy" rating (2/19/99)				
	Announces agreement with Arden Realty giving Teligent access to more than 200 commercial properties in southern CA (1/26/99)				

CLEC	Financing/Partnering	Company Provides Own Facilities			
		Switch	Loop	Transport	Other
Teligent (cont.)		X	X	X	
	Spieker Properties announces west coast agreement with Advanced Radio Telecom, Teligent and WinStar Communications giving the carriers access to more than 5,000 tenants in Spieker buildings (1/14/99)				
Time Warner Telecom		X	X	X	
	Pending IPO of 18 M shares (5/12/99)				
	Announces creation of internet and data division with planned acquisition of ISP Internet Connect; have plans have own national IP backbone and to launch DSL services in a host of markets (4/20/99)				
	MetroMedia Fiber Networks announces 20-year agreement to lease fiber-optic capacity in NY and NJ to Time Warner Telecom who plans to offer local, LD and internet services (3/09/99)				
Touch America			X	X	
	Announce agreement which lets Touch America offer private line services on Electric Lightwave's network and gives Electric Lightwave access to Touch America's systems in four states (3/30/99)				

CLEC	Financing/Partnering	Company Provides Own Facilities			
		Switch	Loop	Transport	Other
US LEC		X			SS7
	Salomon Smith Barney has begun tracking US LEC with a "trading buy" rating (4/08/99)				
	Announces completion of $50 M revolving credit to pay for continued deployment of its network facilities (1/05/99)				
Williams Communications				X	
	GST and partner Pacific Fiber Link have added new partner, Williams Communications, to their 715-mile fiber-optic project linking Sacramento and Portland; Williams will pay $47.2 M and will get access to network facilities along the system (1/12/99)				
WinStar Communications		X	X	X	
	Announces agreement with Great Lakes REIT to deploy network at 11 Great Lakes properties with option to install at another 20 properties during the next 3 years (5/10/99)				
	Announces expanded relationship with Lucent; WinStar will serve as value-added reseller for Lucent; in October 1998, WinStar signed a 5-year equipment financing deal with Lucent valued at up to $2 B (4/26/99)				

CLEC	Financing/Partnering	Company Provides Own Facilities			
		Switch	Loop	Transport	Other
WinStar Communications (cont.)		X	X	X	
	Announces agreement to install its network systems at some 90 office buildings managed by Equity Office Properties Trust (4/06/99)				
	Lehman Bros. initiates coverage with "buy" rating (2/19/99)				
	Announces $4.2 M common stock offering with several underwriters to pay for continued growth both in the US and in foreign markets (2/04/99)				
	J.P. Morgan initiates coverage with "buy" rating and 12-month target of $60 per share (1/20/99)				
	Spieker Properties announces west coast agreement with Advanced Radio Telecom, Teligent and WinStar Communications giving the carriers access to more than 5,000 tenants in Spieker buildings (1/14/99)				

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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D. C. 20554

In the Matter of	)	
	)	
Implementation of the Local Competition Provisions in the Telecommunications Act of1996	)	CC Docket No. 96-98
	)	
	)	

DECLARATION OF DR. R. DEAN FOREMAN

1. I am a Senior Economist for GTE Corporation (GTE), which has telephone operations in 28 states. Within the Regulatory Planning and Strategy organization, I am involved with the development of GTE's policy positions and with GTE's participation in regulatory proceedings. I have presented testimony before regulatory commissions in the states of Alabama, Alaska, Illinois, Indiana, Iowa, New Mexico, Oklahoma, and Texas. Prior to joining GTE in May 1997, I worked for two years as a manager in the Consumer & Small Business Unit of AT&T Corporation. Before that, I graduated *magna cum laude* from the Honors College of the University of South Carolina in 1990 with a Bachelor of Arts and Science degree in economics and mathematics. I also received Masters of Arts and Ph.D. degrees in economics from the University of Florida in 1992 and 1995, respectively. My doctoral dissertation focused on telecommunications pricing, and I worked for three years during graduate school as a Research Associate at the Public Utility Research Center of the University of Florida. Additionally, I have written articles that have been published in academic and industry journals, including *Information Economics and Policy* and *Telecommunications Policy.* In connection with the present docket, I have been asked to discuss an approach for assessing markets

where facilities-based CLECs could readily deploy their own interoffice transport capacity.

2. A fundamental question in this docket is whether CLECs can compete effectively without mandated unbundled access to ILEC interoffice transport. A CLEC's ability to compete effectively by relying on a substitute to unbundled ILEC transport depends on whether it is economically viable for competitors to deploy their own capacity, which in turn is a function of the underlying characteristics of the area. Generally, entrants consider the total volume and kind of traffic that requires interoffice transport in deciding whether to deploy their own capacity. Potential measures include the quantities or densities of access lines, interoffice trunks, minutes of use, revenues, and the mix of business customers located in an area. Additionally, relevant factors that affect the decision to deploy transport capacity include

-- The number of central offices in an area and the distance between them;
-- The extent to which the area in question is urbanized;
-- Regional factors; and,
-- Historical precedent, *i.e.*, existing network configuration and growth pattern.

3. In light of these drivers, two prime questions are (1) Where are alternatives to ILEC transport presently available? and (2) Where would it be economically viable to deploy alternative transport capacity? Answers to the former demonstrate that ILEC interoffice transport is not necessary for CLECs to compete in markets where transport alternatives already are in use; this is the point of departure for the analysis conducted by Peter W. Huber and Evan Leo in their UNE Fact Report (submitted by USTA on behalf of Ameritech, Bell Atlantic, Bell South, GTE, SBC, US West, and USTA) ("UNE Fact Report"). The UNE Fact Report identifies a direct correlation between CLEC collocation and the presence of CLEC fiber, with the

strongest relationship identified in the largest wire centers. The purpose of the present declaration is to focus on the latter question, which is critical to demonstrate the markets in which CLECs could readily deploy transport alternatives. Specifically, my research examines the impact of wire center size, customer mix, remote link connectivity, geographic coverage, the extent to which an area is urbanized, and regional factors on the incidence of collocation. The ultimate objective of this analysis is to identify a threshold wire center size beyond which collocation and the deployment of transport alternatives are most able and likely to occur.

4. The strong correlation the UNE Fact Report identifies between collocation by facilities-based CLECs and the presence of transport alternatives is self-evident. Once a CLEC collocates, it may deploy its own fiber or purchase transport capacity from other carriers, including the ILEC. As of April 1999, out of approximately 3,900 wire centers, GTE had 141 with operational collocation and a separate 107 with pending requests.[1] In just one of these wire centers with collocation, however, does GTE currently sell a UNE for interoffice transport. In other words, CLECs almost always provide their own transport, purchase it from other carriers, or rely on alternative options available from the ILEC, such as special access or expanded interconnection arrangements.[2] Thus, present CLEC collocation indicates that transport alternatives generally are available and being employed without need for a mandated interoffice transport unbundled network element. Beyond this, however, the Commission must determine the characteristics of markets where competitive substitutes to ILEC transport

[1] Collocation estimates as of March 1999.

[2] For example, CLECs often collocate at GTE's access tandems. Tandem trunk ports are expensive and often close to exhaust, so GTE's interconnection agreements typically provide positive incentives for

could be employed by CLECs. Building from the UNE Fact Report's identified relationship between collocation and CLEC transport alternatives, this research focuses on the relationship between GTE wire center size and the incidence of collocation, controlling for the aforementioned characteristics.

5. Before addressing the econometric model, it is useful to consider some stylized facts about the typical size of GTE's wire centers and the incidence of collocation to date. As Chart 1 depicts below, GTE's average wire center size is only about 5,100 lines. In fact, half of GTE's wire centers cumulatively account for less than seven percent of the company's total lines. Although collocation has occurred on average in GTE wire centers with over 29,000 lines, this average is misleading. The plot of the distribution of collocation (violin plot) in Chart 1 demonstrates marked variation in size among GTE wire centers with collocation: from a minimum of 234 lines to a maximum of over 84,000 lines. In fact, one quarter of all GTE collocations are in wire centers with fewer than 17,000 total lines, which speaks to the importance of the kind of traffic generated within a wire center. In California, for example, 28% of GTE's wire centers have collocation, but those wire centers represent over 70% of GTE's contribution in the state.[3]

6. Beginning with the UNE Fact Report's conclusion that collocation correlates highly with the presence of competitive transport alternatives, this research

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CLECs to utilize direct transmission facilities. In practice, this looks like a form of special access, but the facilities are provided in accordance with the agreed upon terms of interconnection.

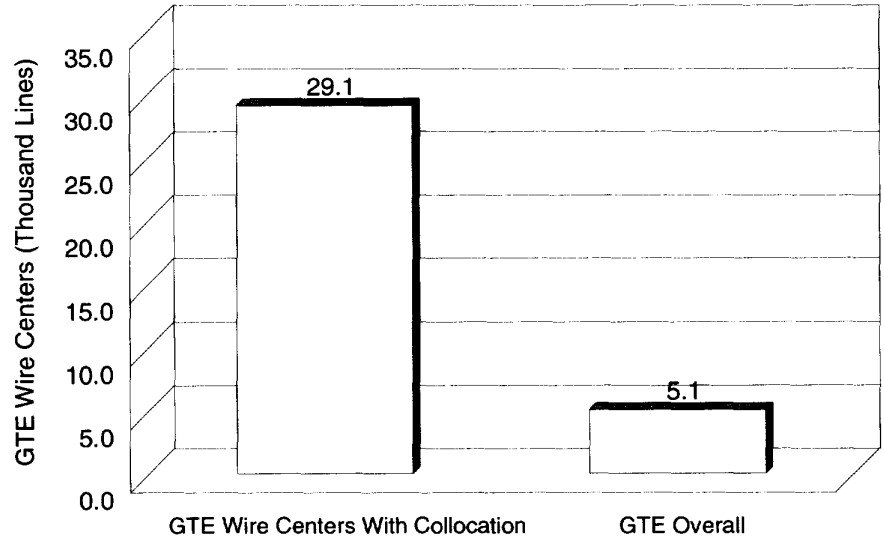
[3] Calculated based on regulated revenues relative to TSLRIC estimates.

Chart 1. CLECs Tend To Collocate In Larger Wire Centers, But There Is Marked Size Variation.

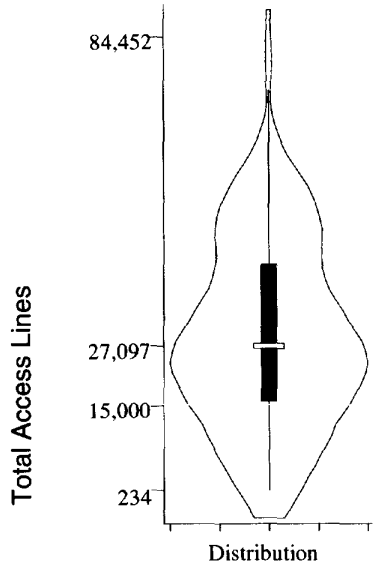
GTE Overall
Total Access Lines By Wire Center

Percent	Lines		
1%	119		
5%	222		
10%	326		
25%	637	Minimum	31
50%	1,494	Mean	5,156
		Std. Dev.	9,867
75%	4,291		
90%	14,241	Maximum	84,452
95%	26,055		
99%	51,441		

Average GTE Wire Center Size, With Collocation And Overall



Distribution Of Total Access Lines Among Wire Centers With Collocation



Median:	Horizontal Bar
Interquartile Range:	Vertical Rectangle
Distribution:	Shape of Figure

examines wire center characteristics that correspond to collocation (1=yes, 0=no). The methodology employed here examines how potential thresholds based on wire center size, measured by the number of operational lines or interoffice trunks, relate to collocation. A size indicator variable equals one for wire centers where the number of total access lines or interoffice trunks exceeds the threshold (1 = exceeds threshold, 0 = otherwise). Taking all wire centers that exceed a threshold as a group, alternative threshold levels are then examined to identify the level that corresponds most strongly with the incidence of collocation, controlling for other relevant wire center characteristics in GTE's service area. Table 1 displays the explanatory variables found to be significant in this research, the motivation for their inclusion, and the (discrete or continuous) nature of the measure.

Table 1. Collocation Drivers

Motivation	Variable	Nature
Wire center size	Indicator whether trunks or lines exceed threshold	Discrete
Remote link connectivity	Number of remote links from wire center	Discrete*
Geographic coverage	Square mileage of wire center	Discrete*
Region	Five regional indicator variables	Discrete
Customer mix	Fraction of total lines that are business lines	Continuous
Extent urbanized	Total line density	Continuous

* Each equals one if the wire center falls in the top quartile of this variable among all GTE wire centers, and equals zero otherwise.

7. A logistic regression using these data produces an estimate of the probability that collocation is observed given the characteristics of each wire center. This analysis is applied to two different but consistent GTE data sets: one based on line density by wire center and a second based on interoffice trunk measurements.[4] Table 2

[4] Trunk data are as of April 1999 and include all EAS and remote trunks by wire center. Remote trunks are counted as belonging to the wire center to which they connect.

below highlights the results achieved at relevant thresholds of lines or trunks; typical performance measures for logistic regressions prove out nicely for these regressions.[5]

Table 2. Logistic Regression Results

Ranking Among GTE Wire Centers	Threshold Wire Center Size	How Many More Times Collocation Is Likely To Be Observed In A Wire Center Of The Threshold Size Or Larger
By Trunks	**By Trunks**	
Top 50%	432	9.6
Top 31%	1,100	20.3
Top 25%	1,512	14.2
Top 10%	3,507	6.5
By Lines	**By Lines**	
Top 50%	1,494	4.5
Top 25%	4,291	11.8
Top 9%	15,000	17.9
Top 7%	20,000	12.1
Top 5%	26,055	6.0
Top 4%	30,000	5.0
Top 2%	40,000	6.5

8. The distinction between measurement in lines or trunks appears to be immaterial. The threshold wire center size, however, usefully demonstrates that collocation is nearly 18 to 20 times more likely to be observed among wire centers of 15,000 or more lines than in any wire center of smaller size, other things being equal. Importantly, the 1,100 trunk threshold corresponds to a median of about 16,000 lines.[6] The fact that collocation is less likely to be observed in smaller wire centers is consistent with the direct relationship the UNE Fact Report highlights. Collocation is

[5] Joint and individual tests of the variables all are significant at $\alpha = 1\%$. Classification statistics indicate that 95% or more of the 3858 observations (lines data) or 1978 observations (trunks data) are classified correctly in each regression. The area under the receiver operating curve (ROC) consistently is excellent at 0.91 or above, and an analysis of the deviance residuals due to the deletion of a covariate pattern plotted against the predicted probabilities of collocation does not suggest any problems.

[6] Although detailed estimates for the other variables are not presented here, it is interesting to note that at the 15,000 line threshold: (1) a 10% increase in the fraction of total lines that are business lines corresponds to a 1.5 times increase in the probability of collocation; (2) wire centers in the top quartile of remote links are nearly twice as likely to have collocation as those with fewer links; (3) an increase of 350 total lines per square mile corresponds to a 1.5 times increase in the probability of collocation; and, (4)

also less likely to be observed strictly among wire centers in excess of 15,000 lines as a group, however, because raising the bar excludes many of GTE's wire centers where collocation has occurred. The policy implication is that a threshold for incorporation into an unbundling requirement for interoffice transport should be in the neighborhood of 15,000 lines; any higher threshold ignores an important fraction of GTE's wire centers with collocation. Furthermore, the 15,000 line threshold is conservative in that transport alternatives are available where collocation may never be observed, e.g., total bypass of GTE's network in areas like the Iowa, Missouri, and South Carolina exchanges profiled in the PNR analysis (attached as Appendix C to GTE's comments). Generally, however, thresholds below 15,000 lines presently correspond to areas where the employment of transport alternatives is less likely.

9. In summary, the results underscore that the deployment of transport alternatives is viable within wire centers that are small by industry standards. While characteristics such as the extent to which an area is urbanized and the wire center customer mix, remote link connectivity, geographic coverage, and region all are significant determinants, the 15,000 line threshold—the top 9% of GTE's wire centers by size—is a level beyond which collocation and transport alternatives are most likely to be observed. Based on the strong relationship identified here, the Commission should establish unbundling requirements for interoffice transport that reflect the actual wire center sizes in which there is collocation and the deployment of transport alternatives by CLECs operating in the marketplace. A minimum threshold of 15,000 lines in a wire

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wire centers in the top quartile by square mileage are over two-thirds **less** likely to have collocation than smaller, more urban wire centers.

center is supported by these findings and reflects where collocation is most likely to occur in GTE's service areas.

I declare under penalty of perjury that the foregoing is true and correct. Executed on May 24, 1999.

R. Dean Foreman

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Before the
Federal Communications Commission
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS
OFFICE OF THE SECRETARY

In the Matter of	)	
	)	
Implementation of the Local Competition	)	CC Docket No. 96-98
Provisions in the Telecommunications Act	)	
of 1996	)	

APPENDIX D

TO THE COMMENTS OF GTE SERVICE CORPORATION

AND ITS AFFILIATED DOMESTIC TELEPHONE OPERATING COMPANIES

IN RESPONSE TO SECOND FURTHER NOTICE OF PROPOSED RULEMAKING